

2010 FIRST QUARTER REPORT

TO OUR SHAREHOLDERS

Imperial's comparative financial results for the three months ended March 31, 2010 and March 31, 2009 are summarized below and discussed in detail in the Management's Discussion and Analysis.

<i>(unaudited) in thousands except per share amounts</i>	Three Months Ended Mar 31	
	2010	2009
Revenues	\$69,371	\$34,898
Operating Income	\$1,939	\$2,593
Net Loss	\$(2,489)	\$(7,338)
Net Loss Per Share	\$(0.07)	\$(0.23)
Adjusted Net Income ⁽¹⁾	\$6,852	\$11,099
Adjusted Net Income Per Share ⁽¹⁾	\$0.20	\$0.35
Cash Flow ⁽¹⁾	\$10,059	\$4,687
Cash Flow Per Share ⁽¹⁾	\$0.29	\$0.15

Revenues were \$69.4 million in the March 2010 quarter compared to \$34.9 million in the 2009 quarter. There were two shipments of concentrate from the Mount Polley operations in the 2010 period compared to one shipment in the 2009 period. Variations in quarterly revenue attributed to the timing of concentrate shipments can be expected in the normal course of business.

Operating income for the three months ended March 2010 decreased to \$1.9 million from \$2.6 million in the March 2009 quarter.

The Company recorded a net loss of \$2.5 million in the March 2010 quarter compared to net loss of \$7.3 million in the 2009 quarter. Adjusted net income in the quarter was \$6.9 million or \$0.20 per share, versus \$11.1 million or \$0.35 per share in the March 2009 quarter. Adjusted net income is calculated by removing the unrealized gains and losses, net of related income taxes, resulting from mark to market revaluation of copper and foreign exchange hedging and removing the unrealized share based compensation expense, net of taxes. Adjusted net income is not a term recognized under generally accepted accounting principles however it does show the current period financial results excluding the effect of items not settling in the current period.

Losses on derivative instruments were \$1.1 million in the March 2010 quarter compared to losses of \$12.2 million in the March 2009 quarter including unrealized net gains on copper and currency derivatives of \$0.5 million in the March quarter compared to unrealized losses of \$26.3 million in the March 2009 quarter when copper prices increased significantly. The Company realized losses of \$1.5 million on copper and currency derivatives in the March 2010 quarter compared to gains of \$14.1 million in the 2009 quarter when copper prices were recovering from the lows of 2008.

⁽¹⁾ Adjusted Net Income, Adjusted Net Income Per Share, Cash Flow and Cash Flow Per Share are measures used by the Company to evaluate its performance; however, they are not terms recognized under generally accepted accounting principles. Adjusted Net Income is defined as net income adjusted for certain items of a non-operational nature that pertain to future periods as described in further detail in the Management's Discussion and Analysis under the heading Adjusted Net Income. Cash Flow is defined as cash flow from operations before net change in working capital balances. Adjusted Net Income and Cash Flow Per Share are the same measures divided by the weighted average number of common shares outstanding during the period.

The Company believes these measures are useful to investors because they are included in the measures that are used by management in assessing the financial performance of the Company.

Cash flow increased to \$10.0 million in the March 2010 quarter compared to \$4.7 million in the 2009 quarter. The \$5.3 million increase is primarily the result of improved operating margins at Mount Polley and Huckleberry mines.

Capital expenditures increased to \$8.8 million from \$4.5 million in the comparative 2009 quarter. Expenditures in the March 2010 quarter were financed from cash flow from the Mount Polley and Huckleberry mines. In addition, in the March 2010 quarter the Company purchased \$0.8 million of mobile mining equipment financed by long term debt. At March 31, 2010 the Company had \$25.6 million in cash, cash equivalents and short term investments.

During the March 2010 quarter the Company did not purchase any common shares for cancellation.

Mount Polley Mine

Production	Three Months Ended March 31	
<i>(unaudited)</i>	2010	2009
Ore milled (tonnes)	1,824,269	1,572,015
Ore milled per calendar day (tonnes)	20,270	17,467
Grade % - Copper	0.318	0.392
Grade g/t - Gold	0.306	0.312
Recovery % – Copper	62.20	54.73
Recovery % – Gold	71.20	63.08
Copper produced (lbs)	7,945,511	7,430,959
Gold produced (oz)	12,769	9,938
Silver produced (oz)	32,524	46,290

Mill throughput averaged 20,270 tonnes per day for the quarter, a record for a first quarter at Mount Polley. As a result of higher throughput and better recoveries, both copper and gold production was up, even though head grades were lower. Copper production for the March 2010 quarter was 7.9 million pounds, an increase of 0.5 million pounds from the March 2009 quarter total of 7.4 million pounds. Gold production also benefitted from increased throughput totaling 12,769 troy ounces, up from 9,938 troy ounces in the same period in 2009.

Exploration drilling resumed in late January 2010. Exploration this year will include driving a 500 metre underground ramp from the Wight pit to the Boundary zone, intersecting it approximately 250 metres below surface. Work on collaring the portal for the ramp began in April.

Exploration expenditures at Mount Polley were \$1.1 million in the March 2010 quarter compared to \$0.9 million in the March 2009 quarter. Two drills are on site and focused on expanding the Junction zone mineralization.

The wholly owned Mount Polley open pit copper/gold mine is located 56 kilometres northeast of Williams Lake, British Columbia.

Huckleberry Mine

Production	Three Months Ended March 31	
(100% - Imperial owns 50%) <i>(unaudited)</i>	2010	2009
Ore milled (tonnes)	1,368,600	1,443,300
Ore milled per calendar day (tonnes)	15,206	16,037
Grade (%) – Copper	0.376	0.351
Grade (%) – Molybdenum	0.008	0.006
Recovery (%) – Copper	91.0	90.6
Copper produced (lbs)	10,326,000	10,117,000
Gold produced (oz)	716	842
Silver produced (oz)	47,819	60,697
Molybdenum produced (lbs)	21,793	3,843

Copper production was up slightly to 10.3 million pounds compared to the March 2009 quarter. Mine planning is underway to investigate the feasibility of an expansion of the Main zone.

Imperial owns 50% of the Huckleberry open pit copper/molybdenum mine located 123 kilometres southwest of Houston, British Columbia.

Red Chris

In January the Supreme Court of Canada decision confirmed that Red Chris has completed the necessary Environmental Review process and may proceed toward development of the project.

Exploration and development expenditures at Red Chris were \$2.8 million in the March 2010 quarter compared to \$0.3 million in the March 2009 quarter.

The 2010 exploration program will focus on the delineation of the mineralization beneath the Main and East zone pits, up to 1,000 metres below surface. Mines Act permitting through the Northwest Mine Development Review Committee is underway. Phase one of the geotechnical and condemnation drilling in the tailings impoundment area was initiated in early February, and completed in early April. Four drill rigs are currently on site, and plans to mobilize another two rigs are underway.

The Red Chris copper/gold property in northwest British Columbia is 80 kilometres south of Dease Lake and 18 kilometres southeast of the village of Iskut. Access to the property from pavement at Highway 37 is six kilometres along the Ealue Lake Road, and 17 kilometres along the Red Chris access trail.

Sterling

The results of the 2009 drilling and ongoing underground development will be incorporated into the geologic model of the 144 zone at which time the gold resource estimate will be updated, followed by a study to investigate whether the resource is sufficient to reopen the Sterling gold mine. The site has been permitted and bonding has been put in place to allow for a restart of mine operations.

The Sterling gold property is located 185 kilometres northwest of Las Vegas, Nevada.

Catface

A diamond drilling program is planned for 2010 to further define and extend the Cliff zone which hosts all the resource outlined to date, and to test the Irishman Creek zone and the area between these two zones.

The Catface copper/molybdenum property is located on Catface Peninsula, on the west coast of Vancouver Island, west of Port Alberni, British Columbia.

Outlook

Drilling at Red Chris continues to increase the large copper/gold resource, and metallurgical testwork is indicating the deep mineralization will have better recoveries and will produce cleaner higher grade concentrates compared to the near surface mineralization that was tested as part of the 2005 Feasibility Study. The copper/gold resource at Red Chris now dwarfs the resources at Huckleberry and Mount Polley.

Operations at Mount Polley were excellent achieving a record mill throughput for a first quarter and improving metal recoveries. With cash flow from operations funding the expanded drill program at Red Chris we look forward to continued expansion of the Red Chris resource.



Brian Kynoch
President